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Amendment No. 1 to SB1185

**Ketron
Signature of Sponsor**

AMEND Senate Bill No. 1185*

House Bill No. 1670

by deleting all language after the enacting clause and by substituting instead the following:

SECTION 1. Tennessee Code Annotated, Title 4, is amended by adding the following as a new, appropriately designated chapter:

Section 4-_____.

(a) There is hereby created within the state treasury a "lottery for education escrow account" for the deposit of net lottery proceeds from the state lottery authorized by the general assembly pursuant to Article XI, Section 5 of the Constitution of Tennessee. Amounts remaining in the account at the end of any fiscal year shall not revert to the general fund. Money in the account shall be invested by the state treasurer pursuant to title 9, chapter 4, part 6 for the sole benefit of the account. All earnings attributable to such investment shall be credited to the "lottery for education escrow account".

(b) Notwithstanding any other provision of law to the contrary, all net lottery proceeds from the state lottery for the twelve (12) month period beginning on the day the first lottery ticket or share is sold shall be deposited in the lottery for education escrow account and no appropriation shall be made from the lottery for education escrow account during such twelve (12) months. Such proceeds shall be held in escrow to be appropriated after the expiration of such twelve (12) month period for the educational programs and purposes set forth in Article XI, Section 5 of the Constitution of Tennessee. It is the intent of the general assembly that appropriations from the lottery for education escrow account shall be for educational programs and purposes only in accordance with Article XI,

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Section 5 of the Constitution of Tennessee. Such net lottery proceeds shall be used to supplement, not supplant, existing resources for educational programs and purposes.

(c) Appropriations for educational programs and purposes from the lottery education escrow account not committed during a fiscal year shall not revert to the general fund at the end of the fiscal year, but shall be credited to the lottery for education escrow account and retained there until allocated and appropriated.

(d) As used in this section, unless the context requires otherwise:

(1) "Net lottery proceeds" means all revenue derived from the sale of lottery tickets or shares and all other monies derived from lottery games less operating expenses; and

(2) "State lottery" means a state lottery authorized by the general assembly pursuant to Article XI, Section 5 of the Constitution of Tennessee, and operated either directly by the state or by any entity acting for the state. "State lottery" shall not include any event conducted by an organization exempt from federal taxation under Section 501(c)(3) of the Internal Revenue Code and approved by the general assembly pursuant to Article XI, Section 5 of the Constitution of Tennessee.

SECTION 2. This act shall take effect upon becoming a law, the public welfare requiring it.